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## Romania

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### Trade barrier on biofuels removed

**Report Categories:**

Bio-Fuels

Trade Policy Monitoring

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**Report Highlights:**

The Romanian Government recently approved Decision no. 935/2011, on the promotion of the use of energy from renewable sources, that eliminates the import barriers imposed on third-country origin biofuels and feedstock as stipulated by the Government Decision 829/2010 in October 2010. The decision also reconfirms the biofuels blend rates and transposes several articles of the EU Renewable Energy Directive (RED). The new Government Decision will be in effect on November 11, 2011.

## **General Information:**

In October 2010, Government Decision 829/2010 on the promotion of the use of energy from renewable sources, imposes new requirements for biofuels and feedstock intended to be introduced on the market. According to its provisions, biofuels should come from raw materials harvested in an EU agricultural area that applies technologies complying with the good agricultural and environment conditions (GAEC). Thus, it denies the access of feedstock and biofuels from third countries on the Romanian market. As a trade consequence, biodiesel imports coming from non-EU countries dropped from 30,039 MT during the first seven months of 2010 to zero in 2011, while EU-origin imports grew from 17,271 MT in 2010 to 41,275 MT in 2011 according to GTA data.

A year later, Romanian Government approved Decision 935/2011 concerning the promotion of the use of biofuels and bioliquids, repealing the previous regulation and thus removing the trade barriers for third-country origin products. The new decision reiterates the mandatory blend percentages for diesel and gasoline (volume-based) as following:

- until December 31, 2011- 5 percent for diesel and min 4 percent and max 5 percent for gasoline
- starting with January 1, 2013 - 6 percent for both diesel and gasoline
- starting with January 1, 2015- 7 percent for diesel and 8 percent for gasoline
- starting with January 1, 2017- 9 percent for gasoline
- starting with January 1, 2019- 10 percent for gasoline

Ministry of Economy, Trade and Business Environment (METBE) will be the authority responsible for monitoring the compliance of these blending requirements. The control on the blending content is part of the system for monitoring the diesel and gasoline quality which is undertaken by bodies recognized by the above-mentioned Ministry. This system will be approved by Ministerial Order within 30 days from the date of entering into effect of the Government Decision 935/2011, which means the second half of December.

Through the new decision, Romania partially transposed the EU Renewable Energy Directive 2009/28. Several articles pertaining to the RED had been already transposed through Law 139/2010 published in August 2010. The new decision transposes the articles related to the sustainability criteria (Art. 17), verification of compliance with the sustainability criteria for biofuels and bioliquids (Art. 18), calculation of the greenhouse gas impact of biofuels and bioliquids (Art. 19), specific provisions related to energy from renewable sources in transport (Art. 21) and Art. 26, para 3.

The decision also states that it is mandatory for the economic operators which introduce biofuels and bioliquids into the market to submit to the responsible authority (METBE) annual reports with accurate information to prove the compliance with the sustainability criteria as well as other details per the provisions of the EU Decision 2011/13. The first report is due by March 31, 2012. In addition to these annual reports, the same economic operators are responsible for submitting by January 31 each year the data on biofuels volume introduced on the market during the previous calendar year.